



A. G. Rabinowitz
Counsel

March 21, 2003

Mary L. Cottrell, Secretary
Dept. of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

**Re: D.T.E. Docket 99-60, Investigation by the Department of
Telecommunications and Energy on its own Motion into the Pricing and
Procurement of Default Service Pursuant to G.L. c. 164, § 1B(d).**

Dear Secretary Cottrell:

Pursuant to the Department's June 30, 2000 order in Docket 99-60-B, Massachusetts Electric Company and Nantucket Electric Company (collectively, the "Companies") are submitting the results of the Companies' most recent solicitation for Default Service and proposed retail rates for the Default Service pricing options resulting from the solicitation for the period May 1, 2003 through October 31, 2003. I am also enclosing a motion for confidential treatment of the Company's analysis of the default service bids, and am providing the confidential analysis itself to Hearing Officer Jeanne Voveris. In compliance with the Department's February 13, 2003 order in Docket 02-40, the Companies requested Default Service bids for each of the three Reliability Zones ("Zones"), as defined by ISO New England, in which the Companies provide Default Service. Additionally, as discussed below, the Companies are proposing Default Service rates that are uniform for all residential and commercial Default Service customers across all Zones, and Default Service rates that differ by Zone for all industrial customers.

On February 21, 2003, the Companies issued a Request for Power Supply Proposal ("RFP") to supply the Companies' Default Service needs. This procurement is intended to cover the Companies' entire Default Service supply needs for the period May 2003 through October 2003. The RFP sought fixed price proposals, which could vary by calendar month, for the residential customer group, commercial customer group, and industrial customer group. Additionally, bidders were required to provide zone-specific bids for these three customer groups for each of the three Zones in which the Companies' provide Default Service. The retail Default Service prices for the period May 2003 through October 2003 resulting from the winning bids are contained in Attachment 1 to this letter. The results of the current solicitation provide the Companies with all of their Default Service supplies for the period May 2003 through October 2003. The Companies do not have any of their Default Service requirements contracted beyond

October 2003.

Consistent with the Companies' Default Service prices currently in effect, the proposed Default Service rates included in this filing include an estimate of the costs associated with the Companies' compliance with the Massachusetts Renewable Portfolio Standards ("RPS") that became effective on January 1, 2003. The Companies are not procuring RPS compliant certificates as part of this Default Service solicitation. Therefore, the Companies have included in their Default Service rates the level of the Alternate Compliance Payment of \$50 per MWh. To the extent that the Companies are able to comply with the RPS requirements less expensively, the Companies will refund customers the difference through the Default Service Adjustment Factor. Including estimated costs associated with RPS compliance in Default Service rates will provide a better indication to Default Service customers of the market cost of power and will enable them to make more informed decisions regarding other power supply options that may be open to them.

Attachment 2 contains the Companies' calculation of the Default Service rates for the six-month fixed price option for the three customer groups. Included in this attachment is a calculation of the monthly weighed-average Default Service rate for the Variable Price Option for the residential and commercial customer groups on pages 7 and 8, respectively. Since bids for these two groups were obtained by Zone as required by the February 13th order, the calculation of a monthly weighted-average rate across the three zones was necessary to arrive at one Default Service rate per month. These six monthly weighted-average Default Service rates then become the basis for the proposed rate for the Fixed Price Option. This calculation is not necessary for the industrial customer group, whose Default Service rate is to be unique for each Zone. Attachment 3 includes the revised tariff supplement to the Companies' Tariff for Default Service¹, containing the proposed fixed and variable Default Service rates for the period May 2003 through October 2003. The Companies are proposing that these rates become effective for usage on and after May 1, 2003.

Thank you very much for your time and attention to the Companies' filing.

Very truly yours,

Amy G. Rabinowitz
Attorney for
Massachusetts Electric Company
and Nantucket Electric Company

cc: DTE 99-60 Service List

¹ Both Companies' Tariff for Default Service is M.D.T.E. No. 1041.

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
Docket D.T.E. 99-60

ATTACHMENT 1

**Massachusetts Electric Company
Nantucket Electric Company**

**Default Service Prices (cents per kWh at retail)
May 2003 - October 2003**

Customer Group	Contract Month	1	2	3	4	5	6
	Calendar Month	5	6	7	8	9	10
	Year	2003	2003	2003	2003	2003	2003
Residential							
	SEMA	7.123	7.282	7.959	7.735	6.306	5.619
	WCMA	7.288	7.447	8.127	7.897	6.474	5.788
	NEMA	7.916	8.267	8.964	8.494	7.015	6.755
	Portion of load served	100%	100%	100%	100%	100%	100%
Commercial							
	SEMA	7.214	7.698	8.527	8.414	6.535	5.618
	WCMA	7.388	7.872	8.704	8.586	6.712	5.795
	NEMA	8.861	9.495	10.309	10.209	8.335	7.096
	Portion of load served	100%	100%	100%	100%	100%	100%
Industrial							
	SEMA	7.495	7.958	8.906	8.759	6.911	6.173
	WCMA	7.215	7.593	8.786	8.272	6.256	5.975
	NEMA	8.598	8.598	8.598	8.598	8.598	8.598
	Portion of load served	100%	100%	100%	100%	100%	100%

Footnotes

1) Monthly prices calculated as the average cost of supply (converted to retail delivery) in a confidential submission under separate cover.

MASSACHUSETTS ELECTRIC COMPANY
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ATTACHMENT 2

**Massachusetts Electric Company
Nantucket Electric Company**
Summary of Proposed Default Service Charges
May 2003 - October 2003

		Zonal Default Service Charges					
		Residential (R-1, R-2, R-4)	Commercial (G-1)	NEMA Industrial (G-2, G-3)	SEMA Industrial (G-2, G-3)	WCMA Industrial (G-2, G-3)	Commercial (Streetlights)
		(a)	(b)	(c)	(d)	(e)	(f)
<u>Section 1: Variable Default Service Charges, ¢/kWh</u>							
(1)	May 2003	7.448	7.768	8.648	7.545	7.265	7.768
(2)	June 2003	7.656	8.291	8.648	8.008	7.643	8.291
(3)	July 2003	8.339	9.118	8.648	8.956	8.836	9.118
(4)	August 2003	8.050	9.006	8.648	8.809	8.322	9.006
(5)	September 2003	6.611	7.130	8.648	6.961	6.306	7.130
(6)	October 2003	6.033	6.130	8.648	6.223	6.025	6.130
<u>Section 2: Fixed Default Service Charge, ¢/kWh</u>							
(7)	May 2003 - October 2003	7.391	7.935	8.648	7.755	7.401	7.935

(1)	R-1,R-2,R-4: Page 2, Line (8c), Column (a) G-1: Page 3, Line (8c), Column (a) NEMA G-2,G-3: Page 4, Line (8c), Column (a) SEMA G-2,G-3: Page 5, Line (8c), Column (a) WCMA G-2,G-3: Page 6, Line (8c), Column (a) Streetlights: Page 3, Line (8c), Column (a)	(5)	R-1,R-2,R-4: Page 2, Line (8c), Column (e) G-1: Page 3, Line (8c), Column (e) NEMA G-2,G-3: Page 4, Line (8c), Column (e) SEMA G-2,G-3: Page 5, Line (8c), Column (e) WCMA G-2,G-3: Page 6, Line (8c), Column (e) Streetlights: Page 3, Line (8c), Column (e)
(2)	R-1,R-2,R-4: Page 2, Line (8c), Column (b) G-1: Page 3, Line (8c), Column (b) NEMA G-2,G-3: Page 4, Line (8c), Column (b) SEMA G-2,G-3: Page 5, Line (8c), Column (b) WCMA G-2,G-3: Page 6, Line (8c), Column (b) Streetlights: Page 3, Line (8c), Column (b)	(6)	R-1,R-2,R-4: Page 2, Line (8c), Column (f) G-1: Page 3, Line (8c), Column (f) NEMA G-2,G-3: Page 4, Line (8c), Column (f) SEMA G-2,G-3: Page 5, Line (8c), Column (f) WCMA G-2,G-3: Page 6, Line (8c), Column (f) Streetlights: Page 3, Line (8c), Column (f)
(3)	R-1,R-2,R-4: Page 2, Line (8c), Column (c) G-1: Page 3, Line (8c), Column (c) NEMA G-2,G-3: Page 4, Line (8c), Column (c) SEMA G-2,G-3: Page 5, Line (8c), Column (c) WCMA G-2,G-3: Page 6, Line (8c), Column (c) Streetlights: Page 3, Line (8c), Column (c)	(7)	R-1,R-2,R-4: Page 2, Line (10), Column (g) G-1: Page 3, Line (10), Column (g) NEMA G-2,G-3: Page 4, Line (10), Column (g) SEMA G-2,G-3: Page 5, Line (10), Column (g) WCMA G-2,G-3: Page 6, Line (10), Column (g) Streetlights: Page 3, Line (10), Column (g)
(4)	R-1,R-2,R-4: Page 2, Line (8c), Column (d) G-1: Page 3, Line (8c), Column (d) NEMA G-2,G-3: Page 4, Line (8c), Column (d) SEMA G-2,G-3: Page 5, Line (8c), Column (d) WCMA G-2,G-3: Page 6, Line (8c), Column (d) Streetlights: Page 3, Line (8c), Column (d)		

**Massachusetts Electric Company
Nantucket Electric Company**
Residential Fixed Default Service Charge
(Rates R-1, R-2, R-4 and E)
Based on Weighted Average Effective Default Service Prices
May 2003 - October 2003

Section 1: Percentage of Residential kWhs Attributable to Default Service

(1)	February 2003 Residential Default Service kWhs	202,421,864
(2)	February 2003 Total Residential kWhs	818,892,041
(3)	Percentage of Residential Default Service kWhs to Total Residential kWhs	24.72%

Section 2: Projected Residential Default Service kWhs, May 2003 - October 2003

	2003 May (a)	June (b)	July (c)	August (d)	September (e)	October (f)	Total (g)
(4)	Projected Total Company Residential kWhs	561,921,465	599,234,980	679,441,531	720,618,142	685,275,092	568,848,845 3,815,340,055
(5)	Percentage of Residential Default Service kWhs to Total Residential kWhs	<u>24.72%</u>	<u>24.72%</u>	<u>24.72%</u>	<u>24.72%</u>	<u>24.72%</u>	<u>24.72%</u>
(6)	Projected Residential Default Service kWhs	138,901,326	148,124,851	167,951,103	178,129,546	169,393,100	140,613,705 943,113,630

Section 3: Weighted Average Residential Default Service Charge for May 2003 - October 2003

(7)	Projected Residential Default Service kWhs	138,901,326	148,124,851	167,951,103	178,129,546	169,393,100	140,613,705	943,113,630
(8a)	Residential Default Service Price per kWh (excluding RPS Compliance)	\$0.07398	\$0.07606	\$0.08289	\$0.08000	\$0.06561	\$0.05983	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	
(8c)	Total Estimated Residential Default Service Price per kWh	<u>\$0.07448</u>	<u>\$0.07656</u>	<u>\$0.08339</u>	<u>\$0.08050</u>	<u>\$0.06611</u>	<u>\$0.06033</u>	
(9)	Projected Residential Default Service Cost, May 2003 - October 2003	\$10,345,371	\$11,340,439	\$14,005,442	\$14,339,428	\$11,198,578	\$8,483,225	<u>\$69,712,483</u>
(10)	Weighted Average Residential Default Service Charge, Fixed Price Option, for May 2003 - October 2003							\$0.07391
(11)	Currently Effective Residential Default Service Charge							\$0.05135
(12)	Proposed Increase to Residential Default Service Charge, Fixed Price Option							\$0.02256

- (1) Per February 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates R-1, R-2, R-4 and E)
(2) Per February 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates R-1, R-2, R-4 and E)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast for residential rates (Rates R-1, R-2, R-4 and E)
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Page 7, Line (11)
(8b) The level of Alternative Compliance Payments under RPS
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
Commercial Fixed Default Service Charge
(Rates G-1 and Streetlights)
Based on Weighted Average Effective Default Service Prices
May 2003 - October 2003

Section 1: Percentage of Commercial kWhs Attributable to Default Service

(1)	February 2003 Commercial Default Service kWhs	65,850,354
(2)	February 2003 Total Commercial kWhs	197,647,256
(3)	Percentage of Commercial Default Service kWhs to Total Commercial kWhs	33.32%

Section 2: Projected Commercial Default Service kWhs, May 2003 - October 2003

	2003 May (a)	June (b)	July (c)	August (d)	September (e)	October (f)	Total (g)
(4)	Projected Total Company Commercial kWhs	153,824,198	157,753,524	181,246,784	193,850,179	185,348,270	1,039,752,874
(5)	Percentage of Commercial Default Service kWhs to Total Commercial kWhs	<u>33.32%</u>	<u>33.32%</u>	<u>33.32%</u>	<u>33.32%</u>	<u>33.32%</u>	<u>33.32%</u>
(6)	Projected Commercial Default Service kWhs	51,249,777	52,558,915	60,386,191	64,585,278	61,752,687	346,415,610

Section 3: Weighted Average Commercial Default Service Charge for May 2003 - October 2003

(7)	Projected Commercial Default Service kWhs	51,249,777	52,558,915	60,386,191	64,585,278	61,752,687	55,882,762	346,415,610
(8a)	Commercial Default Service Price per kWh (excluding RPS Compliance)	\$0.07718	\$0.08241	\$0.09068	\$0.08956	\$0.07080	\$0.06080	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	
(8c)	Total Estimated Commercial Default Service Price per kWh	\$0.07768	\$0.08291	\$0.09118	\$0.09006	\$0.07130	\$0.06130	
(9)	Projected Commercial Default Service Cost, May 2003 - October 2003	\$3,981,083	\$4,357,660	\$5,506,013	\$5,816,550	\$4,402,967	\$3,425,613	<u>\$27,489,885</u>
(10)	Weighted Average Commercial Default Service Charge, Fixed Price Option, for May 2003 - October 2003							\$0.07935
(11)	Currently Effective Commercial Default Service Charge							\$0.05049
(12)	Proposed Increase to Commercial Default Service Charge, Fixed Price Option							\$0.02886

- (1) Per February 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-1 and Streetlights)
(2) Per February 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-1 and Streetlights)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Page 8, Line (11)
(8b) The level of Alternative Compliance Payments under RPS
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
NEMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
May 2003 - October 2003

Section 1: Percentage of Industrial kWhs Attributable to Default Service in NEMA

(1)	February 2003 Industrial Default Service kWhs in the NEMA Zone	25,760,834
(2)	February 2003 Total Industrial kWhs	930,100,828
(3)	Percentage of NEMA Industrial Default Service kWhs to Total Industrial kWhs	2.77%

Section 2: Projected NEMA Industrial Default Service kWhs, May 2003 - October 2003

	2003 May (a)	June (b)	July (c)	August (d)	September (e)	October (f)	Total (g)
(4)	Projected Total Company Industrial kWhs	876,524,418	915,014,572	967,857,998	987,144,829	992,086,935	5,692,680,380
(5)	Percentage of NEMA Industrial Default Service kWhs to Total Industrial kWhs	<u>2.77%</u>	<u>2.77%</u>	<u>2.77%</u>	<u>2.77%</u>	<u>2.77%</u>	<u>2.77%</u>
(6)	Projected NEMA Industrial Default Service kWhs	24,276,938	25,342,993	26,806,587	27,340,771	27,477,652	157,669,136

Section 3: Weighted Average NEMA Industrial Default Service Charge for May 2003 - October 2003

(7)	Projected NEMA Industrial Default Service kWhs	24,276,938	25,342,993	26,806,587	27,340,771	27,477,652	26,424,195	157,669,136
(8a)	NEMA Industrial Default Service Price per kWh (excluding RSP Compliance)	\$0.08598	\$0.08598	\$0.08598	\$0.08598	\$0.08598	\$0.08598	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	
(8c)	Total Estimated NEMA Industrial Default Service Price per kWh	\$0.08648	\$0.08648	\$0.08648	\$0.08648	\$0.08648	\$0.08648	
(9)	Projected NEMA Industrial Default Service Cost, May 2003 - October 2003	\$2,099,470	\$2,191,662	\$2,318,234	\$2,364,430	\$2,376,267	\$2,285,164	<u>\$13,635,227</u>
(10)	Weighted Average NEMA Industrial Default Service Charge, Fixed Price Option, for May 2003 - October 2003							\$0.08648
(11)	Currently Effective Industrial Default Service Charge							\$0.05014
(12)	Proposed Increase to NEMA Industrial Default Service Charge, Fixed Price Option							\$0.03634

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- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) February 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Attachment 1, Industrial
(8b) The level of Alternative Compliance Payments under RPS
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
SEMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
May 2003 - October 2003

Section 1: Percentage of Industrial kWhs Attributable to Default Service in SEMA

(1)	February 2003 Industrial Default Service kWhs in the SEMA Zone	40,563,363
(2)	February 2003 Total Industrial kWhs	930,100,828
(3)	Percentage of SEMA Industrial Default Service kWhs to Total Industrial kWhs	4.36%

Section 2: Projected SEMA Industrial Default Service kWhs, May 2003 - October 2003

		2003						
		<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
(4)	Projected Total Company Industrial kWhs	876,524,418	915,014,572	967,857,998	987,144,829	992,086,935	954,051,628	5,692,680,380
(5)	Percentage of SEMA Industrial Default Service kWhs to Total Industrial kWhs	<u>4.36%</u>	<u>4.36%</u>	<u>4.36%</u>	<u>4.36%</u>	<u>4.36%</u>	<u>4.36%</u>	
(6)	Projected SEMA Industrial Default Service kWhs	38,226,800	39,905,424	42,210,021	43,051,154	43,266,688	41,607,900	248,267,987

Section 3: Weighted Average SEMA Industrial Default Service Charge for May 2003 - October 2003

(7)	Projected SEMA Industrial Default Service kWhs	38,226,800	39,905,424	42,210,021	43,051,154	43,266,688	41,607,900	248,267,987
(8a)	SEMA Industrial Default Service Price per kWh (excluding RSP Compliance)	\$0.07495	\$0.07958	\$0.08906	\$0.08759	\$0.06911	\$0.06173	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	
(8c)	Total Estimated SEMA Industrial Default Service Price per kWh	\$0.07545	\$0.08008	\$0.08956	\$0.08809	\$0.06961	\$0.06223	
(9)	Projected SEMA Industrial Default Service Cost, May 2003 - October 2003	\$2,884,212	\$3,195,626	\$3,780,329	\$3,792,376	\$3,011,794	\$2,589,260	<u>\$19,253,598</u>
(10)	Weighted Average SEMA Industrial Default Service Charge, Fixed Price Option, for May 2003 - October 2003							\$0.07755
(11)	Currently Effective Industrial Default Service Charge							\$0.05014
(12)	Proposed Increase to SEMA Industrial Default Service Charge, Fixed Price Option							\$0.02741

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- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) February 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Attachment 1, Industrial
(8b) The level of Alternative Compliance Payments under RPS
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
WCMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
May 2003 - October 2003

Section 1: Percentage of Industrial kWhs Attributable to Default Service in WCMA

(1)	February 2003 Industrial Default Service kWhs in the WCMA Zone	73,482,030
(2)	February 2003 Total Industrial kWhs	930,100,828
(3)	Percentage of WCMA Industrial Default Service kWhs to Total Industrial kWhs	7.90%

Section 2: Projected WCMA Industrial Default Service kWhs, May 2003 - October 2003

		2003						
		<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
(4)	Projected Total Company Industrial kWhs	876,524,418	915,014,572	967,857,998	987,144,829	992,086,935	954,051,628	5,692,680,380
(5)	Percentage of WCMA Industrial Default Service kWhs to Total Industrial kWhs	<u>7.90%</u>	<u>7.90%</u>	<u>7.90%</u>	<u>7.90%</u>	<u>7.90%</u>	<u>7.90%</u>	
(6)	Projected WCMA Industrial Default Service kWhs	69,249,259	72,290,150	76,465,011	77,988,755	78,379,203	75,374,248	449,746,627

Section 3: Weighted Average WCMA Industrial Default Service Charge for May 2003 - October 2003

(7)	Projected WCMA Industrial Default Service kWhs	69,249,259	72,290,150	76,465,011	77,988,755	78,379,203	75,374,248	449,746,627
(8a)	WCMA Industrial Default Service Price per kWh (excluding RSP Compliance)	\$0.07215	\$0.07593	\$0.08786	\$0.08272	\$0.06256	\$0.05975	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	
(8c)	Total Estimated WCMA Industrial Default Service Price per kWh	\$0.07265	\$0.07643	\$0.08836	\$0.08322	\$0.06306	\$0.06025	
(9)	Projected WCMA Industrial Default Service Cost, May 2003 - October 2003	\$5,030,959	\$5,525,136	\$6,756,448	\$6,490,224	\$4,942,593	\$4,541,298	<u>\$33,286,658</u>
(10)	Weighted Average WCMA Industrial Default Service Charge, Fixed Price Option, for May 2003 - October 2003							\$0.07401
(11)	Currently Effective Industrial Default Service Charge							\$0.05014
(12)	Proposed WCMA Increase to Industrial Default Service Charge, Fixed Price Option							\$0.02387

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- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) February 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Attachment 1, Industrial
(8b) The level of Alternative Compliance Payments under RPS
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
Calculation of Monthly Weighted Average Default Service Prices
Residential Class
(Rates R-1, R-2, R-4 and E)
May 2003 - October 2003

Section 1: Percentage of Residential kWhs Attributable to Default Service in Each Zone

		<u>kWhs</u>	<u>Percent</u>
(1)	February 2003 Residential Default Service kWhs	202,421,864	
(2)	February 2003 NEMA Residential Default Service kWhs	51,525,763	25.45%
(3)	February 2003 SEMA Residential Default Service kWhs	61,618,298	30.44%
(4)	February 2003 WCMA Residential Default Service kWhs	89,277,803	44.10%

Section 2: Calculation of Monthly Weighted Average Default Service Prices

		2003 <u>May</u> (a)	<u>June</u> (b)	<u>July</u> (c)	<u>August</u> (d)	<u>September</u> (e)	<u>October</u> (f)
(5)	Monthly NEMA Price	\$0.07916	\$0.08267	\$0.08964	\$0.08494	\$0.07015	\$0.06755
(6)	NEMA Percentage	25.45%	25.45%	25.45%	25.45%	25.45%	25.45%
(7)	Monthly SEMA Price	\$0.07123	\$0.07282	\$0.07959	\$0.07735	\$0.06306	\$0.05619
(8)	SEMA Percentage	30.44%	30.44%	30.44%	30.44%	30.44%	30.44%
(9)	Monthly WCMA Price	\$0.07288	\$0.07447	\$0.08127	\$0.07897	\$0.06474	\$0.05788
(10)	WCMA Percentage	44.10%	44.10%	44.10%	44.10%	44.10%	44.10%
(11)	Weighted Average Default Service Price	\$0.07398	\$0.07606	\$0.08289	\$0.08000	\$0.06561	\$0.05983

- (1) Page 2, Line (1)
- (2) Per Company billing records based upon Load Zone designation for each customer account
- (3) Per Company billing records based upon Load Zone designation for each customer account
- (4) Per Company billing records based upon Load Zone designation for each customer account
- (5) Attachment 1, Residential
- (6) Line (2)
- (7) Attachment 1, Residential
- (8) Line (3)
- (9) Attachment 1, Residential
- (10) Line (4)
- (11) Line (5) x Line (6) + Line (7) x Line (8) + Line (9) x Line (10), rounded after 5 decimal places

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
Docket D.T.E. 99-60

ATTACHMENT 3

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

SUPPLEMENT TO TARIFF FOR DEFAULT SERVICE

FOR THE PERIOD MAY 2003 THROUGH OCTOBER 2003

In accordance with the terms of the Tariff for Default Service, the rates for Default Service for customers receiving such service from the Company, are as follows. All rates will be applied as a uniform ¢ per kWh charge, for usage on and after the first day of each calendar month.

	Rate Tariff					
	<u>R-1, R-2, R-4</u>	<u>G-1</u>	<u>G-2, G-3</u>			<u>S-1, S-2 S-3, S-5, S-20</u>
			<u>SEMA</u>	<u>WCMA</u>	<u>NEMA</u>	
Fixed Price Option:	7.391¢	7.935¢	7.755¢	7.401¢	8.648¢	7.935¢
Variable Price Option:						
May 2003	7.448¢	7.768¢	7.545¢	7.265¢	8.648¢	7.768¢
June 2003	7.656¢	8.291¢	8.008¢	7.643¢	8.648¢	8.291¢
July 2003	8.339¢	9.118¢	8.956¢	8.836¢	8.648¢	9.118¢
August 2003	8.050¢	9.006¢	8.809¢	8.322¢	8.648¢	9.006¢
September 2003	6.611¢	7.130¢	6.961¢	6.306¢	8.648¢	7.130¢
October 2003	6.033¢	6.130¢	6.223¢	6.025¢	8.648¢	6.130¢

Effective: May 1, 2003

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation by the Department of)	
Telecommunications and Energy on its)	
own motion into the Pricing and)	D.T.E. 99-60
Procurement of Default Service)	
Pursuant to G.L. c. 164, §1B(d))	

**Motion of Massachusetts Electric Company and Nantucket Electric Company
for Confidential Treatment**

Pursuant to Mass. Gen. Laws c. 25, §5D, Massachusetts Electric Company and Nantucket Electric Company (collectively "Company") hereby move for confidential treatment of the analysis of default service bids that the Company received in response to its Request for Power Supply Proposal ("RFP") requesting bids to supply its default service needs for the period May 1, 2003 through October 31, 2003.

The data contained in the rankings constitutes sensitive proprietary information. Protecting this information from public disclosure is in the public interest because disclosure would make public all of the competitive bids received in the RFP process. Although participants understood that the resulting default service rates would be tied to the Companies' supply contract prices, the disclosure of all of the competing bids could have adverse competitive effects on future bids for default service, not only for the Companies, but also for other utilities in the state that will need to seek bids for default service.

Respectfully submitted,
MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
By their attorney,

Amy G. Rabinowitz
25 Research Drive
Westboro, MA 01582

Dated: March 21, 2003

CERTIFICATE OF SERVICE

I hereby certify that on March 21, 2003, I served a copy of the Motion of Massachusetts Electric Company and Nantucket Electric Company for Confidential Treatment on the Service List in D.T.E. 99-60 by personal delivery or first class mail.

Signed under the pains and penalties of perjury

Amy G. Rabinowitz
Attorney for Massachusetts Electric Company and
Nantucket Electric Company

Dated: March 21, 2003